Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

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DA 02-1845

Released: July 30, 2002

DOMESTIC SECTION 214 APPLICATION FILED FOR CONSENT TO TRANSFER CONTROL OF DAKOTA COMMUNITY TELEPHONE, INC. AND MCLEODUSA TELECOM DEVELOPMENT, INC. FROM MCLEODUSA INC. TO PRAIRIEWAVE COMMUNICATIONS, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 02-187

On June 17, 2002, McLeodUSA Incorporated ("McLeodUSA"), filed an application pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, for approval to transfer control of Dakota Community Telephone, Inc., and McLeodUSA Telecom Development, Inc. (collectively, the "Subsidiaries"), to PrairieWave Communications, Inc. ("PrairieWave"). PrairieWave is a newly formed privately held Delaware corporation whose principal business is telecommunications.

Applicants assert that this application is subject to streamlined processing under section 63.03(b)(1)(ii) of the Commission's rules because PrairieWave, the transferee, is not a telecommunications provider.¹

PrairieWave intends to acquire control of two of McLeodUSA's operating subsidiaries: Dakota Community Telephone, Inc. ("DCT") and McLeodUSA Telecom Development, Inc. ("MTDI"). DCT is an independent local exchange carrier that provides domestic interstate telecommunications services within various exchanges in South Dakota. MTDI is a competitive local exchange carrier that provides domestic interstate telecommunications services in Iowa, Minnesota and South Dakota. Pursuant to a stock purchase agreement, PrairieWave will acquire 100 percent of the capital stock of McLeodUSA Community Telephone, Inc. ("MCT"), which is

¹ 47 C.F.R. section 63.03(b)(1)(ii).

MCT holds international Section 214 authorization to resell international public switched services between the United States and international points, but does not operate as a common carrier of international or domestic interstate telecommunications services.

the parent company of DCT, and 100 percent of the capital stock of MTDI. Immediately following consummation of the transfer of control, PrairieWave will contribute 100 percent of the capital stock of MTDI to MCT, as a result of which MTDI will become a direct subsidiary of MCT.³

McLeodUSA asserts that grant of this Application will serve the public interest, convenience and necessity by promoting competition among telecommunications carriers. Specifically, McLeodUSA asserts that approval of the proposed transfer of control of the Subsidiaries to PrairieWave will enable a new entrant to establish a competitive presence in select geographic markets and to concentrate its resources and expertise upon expanding upon and developing innovative and diversified service offerings for consumers in these markets, and that these enhancements will inure directly to the benefit of existing customers of DCT and MTDI and consumers generally in the domestic telecommunications marketplaces these carriers serve.

McLeodUSA's ability to strengthen its competitive position by implementing long-term growth plans in its core markets. McLeodUSA states that the transfer of control will contribute to increasing McLeodUSA's operational flexibility and efficiency, as well as long-term financial viability. Thus, according to McLeodUSA, the proposed transfer of control will ensure the provision of innovative, high quality telecommunications services to the public and should promote competition in the U.S. domestic telecommunications service market.

GENERAL INFORMATION

The transfer of control application identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments within 14 days** and **reply comments within 21 days** of this notice. ⁴ Unless otherwise notified by the Commission, an applicant is permitted to transfer control of the domestic lines or authorization to operate on the 31st day after the date of this notice. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to

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In a separate application, MCT requests authority pursuant to section 214 of the Act and sections 63.18(e)(1) and (e)(2) of the Commission's rules, to expand the international section 214 authorization it currently holds to include global facilities-based authority and global resale authority to operate as a common carrier of communications services between the United States and international points.

⁴ See 47 C.F.R. section 63.03(a).

http://www.fcc.gov/e-file/ecfs.html. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appear in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Vistronix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

- (1) the Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893.
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: twilson@fcc.gov, and
- (3) Bill Dever, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C266, Washington, D.C. 20554; e-mail: wdever@fcc.gov; and
- (4) Imani Ellis-Cheek, Telecommunications Division, International Bureau, 445 12th Street, S.W., Room 6-A739, Washington, D.C. 20554; email: iellis@fcc.gov; and
- (5) Nandan Joshi, Office of General Counsel, 445 12th Street, S.W., Room 8-A820, Washington, D.C. 20554; e-mail: njoshi@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com.

For further information, please contact Tracey Wilson, at (202) 418-1394 or Bill Dever, Competition Policy, Wireline Competition Bureau at (202) 418-1578.